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UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF PENNSYLVANIA

ALEXANDRE PELLETIER, Individually and  
on Behalf of All Others Similarly Situated,

Plaintiff,

v.

ENDO INTERNATIONAL PLC, RAJIV  
KANISHKA LIYANAARCHIE DE SILVA,  
SUKETU P. UPADHYAY, and PAUL V.  
CAMPANELLI,

Defendants.

Civil Action No.:

17

5114

**CLASS ACTION COMPLAINT  
FOR VIOLATIONS OF THE  
FEDERAL SECURITIES LAWS**

**JURY TRIAL DEMANDED**

Plaintiff Alexandre Pelletier ("Plaintiff"), individually and on behalf of all other persons similarly situated alleges the following based upon personal knowledge as to himself and his own acts, and information and belief as to all other matters, based upon *inter alia* the investigation conducted by his attorneys, which included a review of the Defendants' public documents, conference calls and announcements made by Defendants, United States Securities and Exchange Commission ("SEC") filings, wire and press releases published by and regarding Endo International plc ("Endo" or the "Company"), analysts' reports and advisories about the Company, and information readily obtainable on the Internet. Plaintiff believes that substantial evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

**NATURE OF THE ACTION**

1. This is a federal securities class action on behalf of a class consisting of all persons other than Defendants who purchased or otherwise acquired Endo securities between September 28, 2015 and February 28, 2017, inclusive (the "Class Period"). The plaintiffs seek to recover damages caused by Defendants' violations of the federal securities laws and to pursue

remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder, against the Company and certain of its top officials.

2. Endo International plc provides specialty healthcare solutions. The Company develops, manufactures, markets, and distributes pharmaceutical products and generic drugs. Endo International offers its products to the medical and healthcare industries around the globe.

3. Endo commenced operations in 1997 by acquiring certain pharmaceutical products, related rights, and assets from The DuPont Merck Pharmaceutical Company. Endo is headquartered in Dublin, Ireland, and its Company’s stock trades on the NASDAQ Global Select Market (“NASDAQ”) under the ticker symbol “ENDP.”

4. On September 28, 2015, Endo announced that it had completed its \$8.05 billion acquisition of Par Pharmaceutical Holdings, Inc. (“Par Pharmaceutical”) from the private investment firm TPG (the “Par Pharmaceutical Acquisition”). Par Pharmaceutical Companies Inc. is a manufacturer and distributor of generic drugs, and operates as a subsidiary of Par Pharmaceutical.

5. Throughout the Class Period, Defendants made false and/or misleading statements, as well as failed to disclose material adverse facts about the Company’s business, operations, and prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) Par Pharmaceutical had colluded with several of its industry peers to fix generic drug prices; (ii) the foregoing conduct constituted a violation of federal antitrust laws; (iii) the competitive advantages of the Par Pharmaceutical Acquisition, which Endo touted to its shareholders as, *inter alia*, “a compelling opportunity to drive future double-digit growth, serve our customers and build shareholder value,” were in fact derived in part from

Par Pharmaceutical's illegal conduct and thus unsustainable; (iv) for the same reasons, the "impressive track record of delivering strong operating results" that Endo attributed to Defendant Campanelli in announcing his promotion to Endo's CEO consisted in part of illegal conduct; (v) for the foregoing reasons, Endo's revenues during the Class Period were in part the result of illegal conduct and likewise unsustainable; and (vi) as a result of the foregoing, Endo's public statements were materially false and misleading at all relevant times.

6. On November 3, 2016, media outlets reported that U.S. prosecutors were considering filing criminal charges by the end of 2016 against Par Pharmaceutical and several other pharmaceutical companies for unlawfully colluding to fix generic drug prices. In an article titled "U.S. Charges in Generic-Drug Probe to Be Filed by Year-End," *Bloomberg* reported, in relevant part:

U.S. prosecutors are bearing down on generic pharmaceutical companies in a sweeping criminal investigation into suspected price collusion, a fresh challenge for an industry that's already reeling from public outrage over the spiraling costs of some medicines.

The antitrust investigation by the Justice Department, begun about two years ago, now spans more than a dozen companies and about two dozen drugs, according to people familiar with the matter. The grand jury probe is examining whether some executives agreed with one another to raise prices, and the first charges could emerge by the end of the year, they said.

Though individual companies have made various disclosures about the inquiry, they have identified only a handful of drugs under scrutiny, including a heart treatment and an antibiotic. Among the drugmakers to have received subpoenas are industry giants Mylan NV and Teva Pharmaceutical Industries Ltd. Other companies include Actavis, which Teva bought from Allergan Plc in August, Lannett Co., Impax Laboratories Inc., Covis Pharma Holdings Sarl, Sun Pharmaceutical Industries Ltd., Mayne Pharma Group Ltd., ***Endo International Plc's subsidiary Par Pharmaceutical Holdings*** and Taro Pharmaceutical Industries Ltd.

All of the companies have said they are cooperating except Covis, which said last year it was unable to assess the outcome of the investigation.

...

Allergan, Impax and Sun declined to comment beyond their filings. Representatives of Endo, Covis, Taro and Lannett didn't respond to requests for comment. A Justice Department spokesman declined to comment.

(Emphasis added.)

7. On this news, Endo's share price fell \$3.54, or 19.48%, to close at \$14.63 on November 3, 2016.

8. On March 1, 2017, Endo filed an Annual Report on Form 10-K with the SEC, reporting in full the Company's financial and operating results for the quarter and year ended December 31, 2016. Reflecting the extent to which Par Pharmaceutical's unlawful conduct had previously inflated Endo's revenues, the Company reported a net loss of \$3.35 billion, or \$15.03 per diluted share, on revenue of \$4.01 billion, citing, in part, a 27% increase in cost of revenues and a decrease in gross margins from 36% in 2015 to 34% in 2016.

9. On this news, Endo's share price fell \$0.83, or 6.08%, to close at \$12.82 on March 1, 2017.

10. On October 31, 2017, attorneys general from 46 states and the District of Columbia amended their antitrust case on generic drug price-fixing conspiracy against the \$75 billion generic drug industry to add 18 new companies, including Endo's wholly-owned subsidiary Par Pharmaceutical Companies, Inc. The states allege these companies violated antitrust laws to artificially inflate the prices of the drugs by agreeing to "collectively raise and/or maintain prices for a particular generic drug," and agreeing to divvy up the market for the drugs to reduce competition by "refusing to bid for particular customers or by providing a cover bid that they knew would not be successful." This in effect "avoided price erosion" and "increased pricing for targeted products without triggering a 'fight to the bottom' among existing competitors."

11. According to the amended complaint, these companies conspired to unreasonably restrain trade, artificially inflate and reduce competition in the generic pharmaceutical industry for the markets of fifteen generic drugs: Acetazolamide, Doxycycline Hyclate Delayed Release, Doxycycline Monohydrate, FosinoprilHydrochlorothiazide, Glipizide-Metformin, Glyburide, Glyburide-Metformin, Leflunomide, Meprobamate, Nimodipine, Nystatin, Paromomycin, Theophylline, Verapamil and Zoledronic Acid. As a result of the conspiracy, “[p]rices for dozens of generic drugs have risen – while some have skyrocketed, without explanation, sparking outrage from politicians, payers and consumers across the country whose costs have doubled, tripled, or even increased 1,000% or more.”

12. As a result of Defendants’ wrongful acts and omissions, and the precipitous decline in the market value of the Company’s securities, Plaintiff and other Class members have suffered significant losses and damages.

### **JURISDICTION AND VENUE**

13. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

14. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §1331 and Section 27 of the Exchange Act (15 U.S.C. §78aa).

15. Venue is proper in this Judicial District pursuant to 28 U.S.C. §1391(b) and Section 27 of the Exchange Act (15 U.S.C. §78aa(c)). The Company’s U.S. headquarters are located within this Judicial District.

16. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the

United States mail, interstate telephone communications, and the facilities of a national securities exchange.

### **PARTIES**

17. Plaintiff, as set forth in the accompanying certification, incorporated by reference herein, purchased Endo common stock during the Class Period, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

18. Defendant Endo is incorporated under the laws of Ireland, with its principal executive offices located at First Floor, Minerva House, Simmonscourt Road, Ballsbridge, Dublin 4, Ireland. The Company's U.S. headquarters are located at 1400 Atwater Drive, Malvern, Pennsylvania. Endo's common stock trades on the NASDAQ under the ticker symbol "ENDP."

19. Defendant Rajiv Kanishka Liyanaarchchie De Silva ("Silva") served as Endo's Chief Executive Officer ("CEO") and President between March 2013 and September 2016.

20. Defendant Suketu P. Upadhyay ("Upadhyay") served as Chief Financial Officer and Executive Vice President from September 23, 2013 to November 22, 2016.

21. Defendant Paul V. Campanelli ("Campanelli") has served as Endo's CEO and President since September 2016. Prior to the Class Period, Campanelli served as CEO of Par Pharmaceutical from September 2012 until the Par Pharmaceutical Acquisition in September 2015. After the Par Pharmaceutical Acquisition, Campanelli served as the President of the Endo subsidiary Par Pharmaceutical Inc. from September 2015 until his promotion to CEO of Endo in September 2016.

22. The Defendants referenced in ¶¶ 19-21 are sometimes collectively referred to herein as the "Individual Defendants."

23. The Individual Defendants possessed the power and authority to control the contents of Endo's SEC filings, press releases, and other market communications. The Individual Defendants were provided with copies of the Company's SEC filings and press releases alleged herein to be misleading prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or to cause them to be corrected. Because of their positions with the Company, and their access to material information available to them but not to the public, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to and were being concealed from the public, and that the positive representations being made were then materially false and misleading. The Individual Defendants are liable for the false statements and omissions pleaded herein.

### **SUBSTANTIVE ALLEGATIONS**

#### **Background**

24. Endo International PLC provides specialty healthcare solutions. The Company develops, manufactures, markets, and distributes pharmaceutical products and generic drugs. Endo International offers its products to the medical and healthcare industries around the globe.

#### **Materially False and Misleading Statements Issued During the Class Period**

25. The Class Period begins on September 28, 2015, when Endo issued a press release announcing the completion of its acquisition of Par Pharmaceutical. The press release stated, in part:

Through this acquisition, *Endo has further established its position as a leading global specialty pharmaceutical company with a fast growing generics business that is among the top five as measured by U.S. sales* according to IMS. *The acquisition also helps position Endo for long-term double-digit organic growth, enhanced cash flow generation and increased financial flexibility.* Endo's generics portfolio now includes an extensive range of in market and R&D stage complex and competitively differentiated dosage forms and delivery systems, with a focus on higher barrier-to-entry and first-to-market products. Endo's combined U.S. Generics segment, which includes Par Pharmaceutical and

Qualitest, will be named Par Pharmaceutical, an Endo International Company and will be led by Paul Campanelli, former Chief Executive Officer of Par Pharmaceutical, who will also join Endo's Executive Leadership Team.

"We are pleased to announce the completion of this transformational acquisition that has strategically expanded our product portfolio, R&D pipeline, manufacturing and technology capacity and generics expertise for the benefit of patients, customers and shareholders," said Rajiv De Silva, President and CEO of Endo. "We are also pleased to welcome Paul Campanelli, former CEO of Par Pharmaceutical, as Group President, Par Pharmaceutical to the Endo Executive Leadership Team and are excited about his anticipated contributions to the organization. I would like to take the opportunity to thank the leadership team and the hard working employees at Qualitest for continuing to drive the business forward and deliver year-over-year double-digit growth during this period of transition. *We look forward to the opportunities ahead for our combined generics business.*"

"I am excited to be joining Endo along with key members of the Par team. *We look forward to helping realize the full potential of this new – and highly specialized – generics business,*" said Mr. Campanelli. "Our combined portfolio now includes an industry-leading range of higher barrier-to-entry and first-to-market products, as well as an extensive and differentiated R&D pipeline. *While already one of the fastest growing generics businesses, we see a compelling opportunity to drive future double-digit growth, serve our customers and build shareholder value.*"

(Emphases added.)

26. On November 9, 2015, Endo filed a Quarterly Report on Form 10-Q with the SEC announcing the Company's financial and operating results for the quarter ended September 30, 2015 (the "Q3 2015 10-Q"). For the quarter, Endo reported a net loss of \$1.05 billion, or \$5.02 per diluted share, on revenue of \$745.73 million, compared to a net loss of \$252.08 million, or \$1.64 per diluted share, on revenue of \$654.12 million for the same period in the prior year. For the Company's U.S. Generic Pharmaceuticals segment, Endo reported net income of \$177.96 million on net revenues of \$367.93 million for the quarter.

27. The Q3 2015 10-Q contained signed certifications pursuant to the Sarbanes-Oxley Act of 2002 ("SOX") by Defendants Silva and Upadhyay, stating that the financial information

contained in the Q3 2015 10-Q was accurate and disclosed any material changes to the Company's internal control over financial reporting.

28. On February 29, 2016, Endo filed an Annual Report on Form 10-K with the SEC announcing the Company's financial and operating results for the quarter and year ended December 31, 2015 (the "2015 10-K"). For the quarter, Endo reported a net loss of \$118.46 million, or \$0.53 per diluted share, on revenue of \$1.07 billion, compared to a net loss of \$53.48 million, or \$0.34 per diluted share, on revenue of \$662.88 million for the same period in the prior year. For 2015, Endo reported a net loss of \$1.50 billion, or \$7.59 per diluted share, on revenue of \$3.27 billion, compared to a net loss of \$721.32 million, or \$4.91 per diluted share, on revenue of \$2.38 billion for 2014. For the Company's U.S. Generic Pharmaceuticals segment, Endo reported net revenues of \$1.67 billion for 2015.

29. In the 2015 10-K, Endo stated, in part:

***Focus on our generics business differentiated products.*** We develop high-barrier-to-entry generic products, including first-to-file or first-to-market opportunities that are difficult to formulate, difficult to manufacture or face complex legal and regulatory challenges. We believe products with these characteristics will face a lesser degree of competition and therefore provide longer product life cycles and higher profitability than commodity generic products. Our business model continues to focus on being the lowest-cost producer of products in categories with high barriers to entry and lower levels of competition by leveraging operational efficiency. Our U.S. Generic Pharmaceuticals segment is focused in categories where there are fewer challenges from low-cost operators.

Through our acquisition of Par, we have strategically expanded our technology, manufacturing, handling and development capabilities to a diversified array of dosage forms. We believe our comprehensive suite of technology, manufacturing and development capabilities increases the likelihood of success in commercializing high-barrier-to-entry products and obtaining first-to-file and first-to-market status on future products, ***yielding more sustainable market share and profitability***. We plan to optimize our generic products pipeline and portfolio as part of a strategic assessment of our generic business. We will retain only those marketed products that deliver acceptable returns on investment, thereby leveraging our existing platform to drive operational efficiency.

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### **Code of Ethics**

The information concerning our Code of Conduct is incorporated herein by reference from our 2016 Proxy Statement and can be viewed on our website, the internet address for which is <http://www.endo.com>.

30. In Endo's Code of Conduct, the Company stated, in part:

Endo interacts with many types of individuals and entities including healthcare professionals, hospitals, governments, regulatory authorities, business partners, customers, suppliers and vendors. These interactions may arise in our sales and marketing, research and development, and manufacturing operations, as well as our import/export activities. In all business dealings, Endo will be fair and honest and will comply with applicable law and Company policies.

### **The Endo Way**

- Adhere to competition and antitrust laws in the countries where we operate
- Comply with anti-bribery laws and do not offer or make illegal payments to government officials or business partners either directly or indirectly through intermediaries
- Provide transparent and accurate pricing information to governments, private payors and healthcare providers
- Gather competitive intelligence in an ethical and lawful manner
- Conduct political activity responsibly and in compliance with applicable law
- Follow global trade laws

(Emphasis added.)

31. In the 2015 10-K, Endo also reported that the Company was the subject of various antitrust investigations and litigations, but merely recited that the Company was "unable to predict the outcome of these matters or the ultimate legal or financial liability, if any."

32. The 2015 10-K contained signed certifications pursuant to SOX by Defendants Defendants Silva and Upadhyay, stating that the financial information contained in the 2015 10-K was accurate and disclosed any material changes to the Company's internal control over financial reporting.

33. On May 6, 2016, Endo filed a Quarterly Report on Form 10-Q with the SEC, announcing the Company's financial and operating results for the quarter ended March 31, 2016 (the "Q1 2016 10-Q"). For the quarter, Endo reported a net loss of \$133.87 million, or \$0.60 per diluted share, on revenue of \$963.54 million, compared to a net loss of \$75.72 million, or \$0.45 per diluted share, on revenue of \$714.13 million for the same period in the prior year. For the Company's U.S. Generic Pharmaceuticals segment, Endo reported net income of \$211.77 million on net revenues of \$583.39 million for the quarter.

34. The Q1 2016 10-Q contained signed certifications pursuant to SOX by Defendants Silva and Upadhyay, stating that the financial information contained in the Q1 2016 10-Q was accurate and disclosed any material changes to the Company's internal control over financial reporting.

35. On August 9, 2016, Endo filed a Quarterly Report on Form 10-Q with the SEC, announcing the Company's financial and operating results for the quarter ended June 30, 2016 (the "Q2 2016 10-Q"). For the quarter, Endo reported net income of \$343.58 million, or \$1.54 per diluted share, on revenue of \$920.89 million, compared to a net loss of \$250.42 million, or \$1.35 per diluted share, on revenue of \$735.17 million for the same period in the prior year. For the Company's U.S. Generic Pharmaceuticals segment, Endo reported net income of \$214.97 million on net revenues of \$565.36 million for the quarter.

36. The Q2 2016 10-Q contained signed certifications pursuant to SOX by Defendants Silva and Upadhyay, stating that the financial information contained in the Q2 2016 10-Q was accurate and disclosed any material changes to the Company's internal control over financial reporting.

37. On September 23, 2016, Endo issued a press release entitled “Endo Names Paul Campanelli President and Chief Executive Officer,” announcing extensive leadership and operation changes in the Company. The press release, stated in relevant part:

DUBLIN – September 23, 2016 – Endo International plc (NASDAQ: ENDP) (TSX: ENL) today announced that its Board of Directors has named Paul V. Campanelli President and Chief Executive Officer, effective immediately. Mr. Campanelli currently serves as President of Endo’s Generic and OTC drugs business, Par Pharmaceutical, which accounts for approximately 60 percent of Endo’s total revenues through the first half of 2016. Campanelli, who will also join Endo’s Board of Directors, succeeds Rajiv De Silva, who has stepped down as President, CEO and a member of the Board.

Campanelli, 54, joined Endo in 2015 following Endo’s acquisition of Par Pharmaceutical, where he had served as Chief Executive Officer since 2012. While CEO of Par, Campanelli built a strong leadership team and an industry-leading generics business. Specifically, during his tenure, Par significantly increased total revenue, acquired JHP Pharmaceuticals and established a presence in the European generics market. Since joining Endo, Campanelli has overseen the Company’s U.S. Generic Pharmaceuticals business.

***“Given the continued evolution of Endo’s business and Paul’s impressive track record of delivering strong operating results, the Board concluded that Paul is the right leader for Endo at this juncture as we focus on execution and increasing the value of our attractive U.S. Branded, U.S. Generic and International pharmaceutical assets,”*** stated Roger H. Kimmel, Chairman of the Board of Endo. ***“Paul has spent a significant portion of his career leading and operating complex generics businesses and overseeing Par’s branded business. The Board believes his experience positions him to drive a broad range of growth initiatives across Endo’s entire portfolio, generating better health outcomes for patients and creating value for Endo’s shareholders.”***

***“I am very excited to lead Endo at this important time and, together with a strong senior management team, address the challenges of today’s healthcare environment,”*** said Campanelli. ***“Endo has differentiated operating businesses that provide diverse products ranging from high-value branded pharmaceuticals to cost-effective generics and is powered by a dedicated global workforce. I look forward to working closely and collaboratively with our leadership team and Endo’s Board to build on our strengths and help position the Company to thrive over the long-term.”***

(Emphases added.)

38. The statements referenced in ¶¶ 25-37 were materially false and misleading because Defendants made false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) Par Pharmaceutical had colluded with several of its industry peers to fix generic drug prices; (ii) the foregoing conduct constituted a violation of federal antitrust laws; (iii) the competitive advantages of the Par Pharmaceutical Acquisition, which Endo touted to its shareholders as, *inter alia*, "a compelling opportunity to drive future double-digit growth, serve our customers and build shareholder value," were in fact derived in part from Par Pharmaceutical's illegal conduct and thus unsustainable; (iv) for the same reasons, the "impressive track record of delivering strong operating results" that Endo attributed to Defendant Campanelli in announcing his promotion to Endo's CEO consisted in part of illegal conduct; (v) for the foregoing reasons, Endo's revenues during the Class Period were in part the result of illegal conduct and likewise unsustainable; and (vi) as a result of the foregoing, Endo's public statements were materially false and misleading at all relevant times.

#### **The Truth Begins to Emerge**

39. On November 3, 2016, media outlets reported that U.S. prosecutors were considering filing charges by the end of 2016 against Par Pharmaceutical and several other pharmaceutical companies for unlawfully colluding to fix generic drug prices. In an article titled "U.S. Charges in Generic-Drug Probe to Be Filed by Year-End," *Bloomberg* reported, in relevant part:

U.S. prosecutors are bearing down on generic pharmaceutical companies in a sweeping criminal investigation into suspected price collusion, a fresh challenge for an industry that's already reeling from public outrage over the spiraling costs of some medicines.

The antitrust investigation by the Justice Department, begun about two years ago, now spans more than a dozen companies and about two dozen drugs, according to people familiar with the matter. The grand jury probe is examining whether some executives agreed with one another to raise prices, and the first charges could emerge by the end of the year, they said.

Though individual companies have made various disclosures about the inquiry, they have identified only a handful of drugs under scrutiny, including a heart treatment and an antibiotic. Among the drugmakers to have received subpoenas are industry giants Mylan NV and Teva Pharmaceutical Industries Ltd. Other companies include Actavis, which Teva bought from Allergan Plc in August, Lannett Co., Impax Laboratories Inc., Covis Pharma Holdings Sarl, Sun Pharmaceutical Industries Ltd., Mayne Pharma Group Ltd., ***Endo International Plc's subsidiary Par Pharmaceutical Holdings*** and Taro Pharmaceutical Industries Ltd.

All of the companies have said they are cooperating except Covis, which said last year it was unable to assess the outcome of the investigation.

...

Allergan, Impax and Sun declined to comment beyond their filings. Representatives of Endo, Covis, Taro and Lannett didn't respond to requests for comment. A Justice Department spokesman declined to comment.

(Emphasis added.)

40. On this news, Endo's share price fell \$3.54, or 19.48%, to close at \$14.63 on November 3, 2016.

41. On March 1, 2017, Endo filed an Annual Report on Form 10-K with the SEC, reporting in full the Company's financial and operating results for the quarter and year ended December 31, 2016. Reflecting the extent to which Par Pharmaceutical's unlawful conduct had previously inflated Endo's revenues, the Company reported a net loss of \$3.35 billion, or \$15.03 per diluted share, on revenue of \$4.01 billion, citing, in part, a 27% increase in cost of revenues and a decrease in gross margins from 36% in 2015 to 34% in 2016.

42. On this news, Endo's share price fell \$0.83, or 6.08%, to close at \$12.82 on March 1, 2017.

43. On October 31, 2017, attorneys general from 46 states and the District of Columbia amended their antitrust case on generic drug price-fixing conspiracy against the \$75 billion generic drug industry to add 18 new companies, including Endo's wholly-owned subsidiary Par Pharmaceutical Companies, Inc. The states allege these companies violated antitrust laws to artificially inflate the prices of the drugs by agreeing to "collectively raise and/or maintain prices for a particular generic drug," and agreeing to divvy up the market for the drugs to reduce competition by "refusing to bid for particular customers or by providing a cover bid that they knew would not be successful." This in effect "avoided price erosion" and "increased pricing for targeted products without triggering a 'fight to the bottom' among existing competitors."

44. According to the amended complaint, these companies conspired to unreasonably restrain trade, artificially inflate and reduce competition in the generic pharmaceutical industry for the markets of fifteen generic drugs: Acetazolamide, Doxycycline Hyclate Delayed Release, Doxycycline Monohydrate, FosinoprilHydrochlorothiazide, Glipizide-Metformin, Glyburide, Glyburide-Metformin, Leflunomide, Meprobamate, Nimodipine, Nystatin, Paromomycin, Theophylline, Verapamil and Zoledronic Acid. As a result of the conspiracy, "[p]rices for dozens of generic drugs have risen – while some have skyrocketed, without explanation, sparking outrage from politicians, payers and consumers across the country whose costs have doubled, tripled, or even increased 1,000% or more."

45. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

**PLAINTIFF'S CLASS ACTION ALLEGATIONS**

46. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased or otherwise acquired Endo securities during the Class Period (the "Class"); and were damaged upon the revelation of the alleged corrective disclosures. Excluded from the Class are Defendants herein, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

47. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Endo securities were actively traded on the NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and can be ascertained only through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Endo or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

48. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

49. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

50. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- whether the federal securities laws were violated by Defendants' acts as alleged herein;
- whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the business, operations and management of Endo;
- whether the Individual Defendants caused Endo to issue false and misleading financial statements during the Class Period;
- whether Defendants acted knowingly or recklessly in issuing false and misleading financial statements;
- whether the prices of Endo securities during the Class Period were artificially inflated because of the Defendants' conduct complained of herein; and
- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

51. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

52. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-on-the-market doctrine in that:

- Defendants made public misrepresentations or failed to disclose material facts during the Class Period;
- the omissions and misrepresentations were material;
- Endo securities are traded in an efficient market;

- the Company's shares were liquid and traded with moderate to heavy volume during the Class Period;
- the Company traded on the NASDAQ and was covered by multiple analysts;
- the misrepresentations and omissions alleged would tend to induce a reasonable investor to misjudge the value of the Company's securities; and
- Plaintiff and members of the Class purchased, acquired and/or sold Endo securities between the time the Defendants failed to disclose or misrepresented material facts and the time the true facts were disclosed, without knowledge of the omitted or misrepresented facts.

53. Based upon the foregoing, Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

54. Alternatively, Plaintiff and the members of the Class are entitled to the presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State of Utah v. United States*, 406 U.S. 128, 92 S. Ct. 2430 (1972), as Defendants omitted material information in their Class Period statements in violation of a duty to disclose such information, as detailed above.

### **COUNT I**

#### **(Against All Defendants For Violations of Section 10(b) And Rule 10b-5 Promulgated Thereunder)**

55. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

56. This Count is asserted against Defendants and is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

57. During the Class Period, Defendants engaged in a plan, scheme, conspiracy and course of conduct, pursuant to which they knowingly or recklessly engaged in acts, transactions, practices and courses of business which operated as a fraud and deceit upon Plaintiff and the other members of the Class; made various untrue statements of material facts and omitted to state

material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and employed devices, schemes and artifices to defraud in connection with the purchase and sale of securities. Such scheme was intended to, and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; (ii) artificially inflate and maintain the market price of Endo securities; and (iii) cause Plaintiff and other members of the Class to purchase or otherwise acquire Endo securities and options at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each of them, took the actions set forth herein.

58. Pursuant to the above plan, scheme, conspiracy and course of conduct, each of the Defendants participated directly or indirectly in the preparation and/or issuance of the quarterly and annual reports, SEC filings, press releases and other statements and documents described above, including statements made to securities analysts and the media that were designed to influence the market for Endo securities. Such reports, filings, releases and statements were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about Endo's finances and business prospects.

59. By virtue of their positions at Endo, Defendants had actual knowledge of the materially false and misleading statements and material omissions alleged herein and intended thereby to deceive Plaintiff and the other members of the Class, or, in the alternative, Defendants acted with reckless disregard for the truth in that they failed or refused to ascertain and disclose such facts as would reveal the materially false and misleading nature of the statements made, although such facts were readily available to Defendants. Said acts and omissions of Defendants were committed willfully or with reckless disregard for the truth. In addition, each Defendant

knew or recklessly disregarded that material facts were being misrepresented or omitted as described above.

60. Information showing that Defendants acted knowingly or with reckless disregard for the truth is peculiarly within Defendants' knowledge and control. As the senior managers and/or directors of Endo, the Individual Defendants had knowledge of the details of Endo's internal affairs.

61. The Individual Defendants are liable both directly and indirectly for the wrongs complained of herein. Because of their positions of control and authority, the Individual Defendants were able to and did, directly or indirectly, control the content of the statements of Endo. As officers and/or directors of a publicly-held company, the Individual Defendants had a duty to disseminate timely, accurate, and truthful information with respect to Endo's businesses, operations, future financial condition and future prospects. As a result of the dissemination of the aforementioned false and misleading reports, releases and public statements, the market price of Endo securities was artificially inflated throughout the Class Period. In ignorance of the adverse facts concerning Endo's business and financial condition which were concealed by Defendants, Plaintiff and the other members of the Class purchased or otherwise acquired Endo securities at artificially inflated prices and relied upon the price of the securities, the integrity of the market for the securities and/or upon statements disseminated by Defendants, and were damaged thereby.

62. During the Class Period, Endo securities were traded on an active and efficient market. Plaintiff and the other members of the Class, relying on the materially false and misleading statements described herein, which the Defendants made, issued or caused to be disseminated, or relying upon the integrity of the market, purchased or otherwise acquired shares

of Endo securities at prices artificially inflated by Defendants' wrongful conduct. Had Plaintiff and the other members of the Class known the truth, they would not have purchased or otherwise acquired said securities, or would not have purchased or otherwise acquired them at the inflated prices that were paid. At the time of the purchases and/or acquisitions by Plaintiff and the Class, the true value of Endo securities was substantially lower than the prices paid by Plaintiff and the other members of the Class. The market price of Endo securities declined sharply upon public disclosure of the facts alleged herein to the injury of Plaintiff and Class members.

63. By reason of the conduct alleged herein, Defendants knowingly or recklessly, directly or indirectly, have violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

64. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases, acquisitions and sales of the Company's securities during the Class Period, upon the disclosure that the Company had been disseminating misrepresented financial statements to the investing public.

## **COUNT II**

### **(Violations of Section 20(a) of the Exchange Act Against The Individual Defendants)**

65. Plaintiff repeats and realleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

66. During the Class Period, the Individual Defendants participated in the operation and management of Endo, and conducted and participated, directly and indirectly, in the conduct of Endo's business affairs. Because of their senior positions, they knew the adverse non-public information about Endo's misstatement of income and expenses and false financial statements.

67. As officers and/or directors of a publicly owned company, the Individual Defendants had a duty to disseminate accurate and truthful information with respect to Endo's financial condition and results of operations, and to correct promptly any public statements issued by Endo which had become materially false or misleading.

68. Because of their positions of control and authority as senior officers, the Individual Defendants were able to, and did, control the contents of the various reports, press releases and public filings which Endo disseminated in the marketplace during the Class Period concerning Endo's results of operations. Throughout the Class Period, the Individual Defendants exercised their power and authority to cause Endo to engage in the wrongful acts complained of herein. The Individual Defendants therefore, were "controlling persons" of Endo within the meaning of Section 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged which artificially inflated the market price of Endo securities.

69. Each of the Individual Defendants, therefore, acted as a controlling person of Endo. By reason of their senior management positions and/or being directors of Endo, each of the Individual Defendants had the power to direct the actions of, and exercised the same to cause, Endo to engage in the unlawful acts and conduct complained of herein. Each of the Individual Defendants exercised control over the general operations of Endo and possessed the power to control the specific activities which comprise the primary violations about which Plaintiff and the other members of the Class complain.

70. By reason of the above conduct, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by Endo.

**PRAYER FOR RELIEF**

**WHEREFORE**, Plaintiff demands judgment against Defendants as follows:

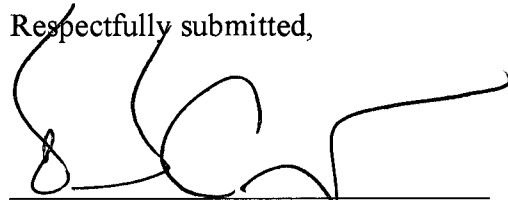
- A. Determining that the instant action may be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the Class representative;
- B. Requiring Defendants to pay damages sustained by Plaintiff and the Class by reason of the acts and transactions alleged herein;
- C. Awarding Plaintiff and the other members of the Class prejudgment and post-judgment interest, as well as their reasonable attorneys' fees, expert fees and other costs; and
- D. Awarding such other and further relief as this Court may deem just and proper.

**DEMAND FOR TRIAL BY JURY**

Plaintiff hereby demands a trial by jury.

Dated: November 13, 2017

Respectfully submitted,



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